BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

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IN THE MATTER OF AN APPLICATION BY)
BISON OIL & GAS II, LLC FOR AN ORDER TO)
VACATE AN APPROXIMATE 1,280-ACRE) Docket No. 180700519
DRILLING AND SPACING UNIT ESTABLISHED)
BY ORDER NO. 535-720 AND ESTABLISH AN) Type: SPACING
APPROXIMATE 640-ACRE DRILLING AND)
SPACING UNIT WITH WELL LOCATION RULES)
APPLICABLE TO THE DRILLING OF WELLS)
AND PRODUCING OF OIL, GAS, AND)
ASSOCIATED HYDROCARBONS FROM THE)
NIOBRARA, FORT HAYS, CODELL, AND)
CARLILE FORMATIONS FOR SECTION 23,)
TOWNSHIP 10 NORTH, RANGE 59 WEST, 6TH)
P.M., UNNAMED FIELD, WELD COUNTY,	,)
COLORADO)
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APPLICATION

Bison Oil & Gas II, LLC ("Applicant" or "Bison"), Operator No. 10661, by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order vacating an approximate 1,280-acre drilling and spacing unit established by Order No. 535-720 and establishing an approximate 640-acre drilling and spacing unit for Section 23, Township 10 North, Range 59 West, 6th P.M., and authorizing up to 20 horizontal wells within the unit, for the drilling of wells and producing of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations. In support of its Application, Applicant states as follows:

- 1. Applicant is a limited liability company duly authorized to conduct business in Colorado.
- 2. Applicant, owns leasehold interests and/or the right to drill, and is an Owner as defined by Commission rules, in the following lands ("Application Lands"):

Township 10 North, Range 59 West, 6th P.M. Section 23: All

Weld County, Colorado

A reference map of the Application Lands is attached as Exhibit B hereto.

3. Rule 318.a. of the Rules and Regulations of the Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet

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from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply.

- 4. On September 19, 2011, the Commission entered Order No. 535-76, which established five approximate 960-acre drilling and spacing units for certain lands in Township 10 North, Range 59 West, 6th P.M., and approved up to four horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbores located no closer than 600 feet from the unit boundaries, without exception being granted by the Director.
- On January 26, 2016, the Commission entered Order No. 535-720, which, among other things, vacated three approximate 960-acre drilling and spacing units established by Order No. 535-76 for certain lands in Township 10 North, Range 59 West, 6th P.M., and established three approximate 1,280-acre drilling and spacing units for certain lands in Township 10 North, Range 59 West, 6th P.M., and approved up to 32 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. The order further required that the productive interval of the wellbores within the unit must be located no closer than 100 feet from the productive interval of any other wellbore producing from the Niobrara and Codell Formations, and no closer than 100 feet from a unit boundary when such boundary abuts or corners lands for which the Commission has granted the right to locate the productive interval of the wellbore up to 100 feet from a unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to owners of adjacent or cornering lands the right to locate the productive interval of the wellbore up to 100 feet from such unit boundary, then the order requires that the productive interval of the wellbores within the unit must be located no closer than 300 feet from the unit boundary, unless an exception is granted by the Director. The Application Lands are subject to this order for the Niobrara and Codell Formations.
 - 6. No horizontal wells have been drilled or permitted on the Application Lands.
- 7. To promote efficient drainage, and to prevent waste, Applicant requests that the Commission vacate an approximate 1,280-acre drilling and spacing unit established by Order No. 535-720 for Sections 14 and 23, Township 10 North, Range 59 West, 6th P.M., and establish an approximate 640-acre drilling and spacing unit for the below-described Application Lands and approve up to 20 horizontal wells within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations, with the treated interval of each wellbore within the unit being no closer than 600 feet from the unit boundary, and no closer than 165 feet from the productive interval of any other wellbore located within the unit, unless an exception is granted by the Director:

Township 10 North, Range 59 West, 6th P.M. Section 23: All

- 8. The above-described drilling and spacing unit is necessary to protect correlative rights and to prevent waste.
- 9. Applicant requests authority to drill those wells necessary to determine the appropriate well density that allows for the most economic and efficient drainage of the Niobrara,

Fort Hays, Codell, and Carlile Formations, that prevents waste, that protects correlative rights, and that assures the greatest ultimate recovery of oil, gas and associated hydrocarbons.

- 10. The drilling and spacing unit is not smaller than the maximum area that can be drained by the proposed wells, and will have no adverse effect on correlative rights of adjacent owners.
- 11. Applicant requests that the wells be drilled and operated from no more than two surface facilities located within the unit or at a legal location on adjacent lands.
- 12. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in <u>Exhibit A</u> attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within seven (7) days after filing of the Application as required by Rules 503.e., 507.b.(1).

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that, upon such hearing, this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this // day of May, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By:

Joseph C. Pierzchala

Geoffrey W. Storm

Welborn Sullivan Meck & Tooley, P.C.

1125 17th Street, Suite 2200

Denver, CO 80202

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Attorneys for Bison Oil & Gas II, LLC

Applicant's Address:

Bison Oil & Gas II, LLC 518 17th Street, Suite 1800 Denver, CO 80202

Attn: Robert Pierini Phone: (720) 644-6997

VERIFICATION

STATE OF COLORADO	}
ý	SS
CITY & COUNTY OF DENVER)

Robert Pierini, Vice President - Land, for Bison Oil & Gas II, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

BISON OIL & GAS II, LLC

Robert Pierini

Vice President - Land

Subscribed and sworn to before me this <u>1</u>th day of May, 2018 by Robert Pierini, Vice President - Land, for Bison Oil & Gas II, LLC.

Witness my hand and official seal.

Notary Public

My Commission Expires: march 8, 2020

ABIGAIL WENK
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164009689
MY COMMISSION EXPIRES MARCH 8, 2020

EXHIBIT A

PARTIES ENTITLED TO NOTICE UNDER RULE 507.c.

Weld County

Troy Swain
Weld County
Department of Planning Services
1555 North 17th Ave.
Greeley CO 80631

Colorado Department of Public Health and Environment

Attn: Kent Kuster, Oil and Gas Liaison 4300 Cherry Creek Dr. South Denver, CO 80246-1530

Colorado Division of Wildlife

Northeast Region Office 6060 Broadway Denver, CO 80216

EXHIBIT A

INTERESTED PARTIES

Verdad Resources, LLC 8 North, LLC Bureau of Land Management Nelson Ranches, Inc. Oil India (USA) Inc. IOCL (USA) Inc. Haimo Oil & Gas, LLC

Exhibit B - Application Lands

BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

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NIOBRARA, FORT HAYS, CODELL, AND)	
CARLILE FORMATIONS FOR SECTION 23,)	
TOWNSHIP 10 NORTH, RANGE 59 WEST, 6TH)	
P.M., UNNAMED FIELD, WELD COUNTY,)	
COLORADO)	
	,	

AFFIDAVIT OF MAILING

STATE OF COLORADO 888 CITY AND COUNTY OF DENVER

I, Geoffrey W. Storm, of lawful age, and being first duly sworn upon my oath, state and declare:

That I am the attorney for Bison Oil & Gas II, LLC and that on or before May 17, 2018, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Geoffrey W. Storm

Subscribed and sworn to before me May 17, 2018.

Witness my hand and official seal.

MELISSA A. MORMAN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894012434 MY COMMISSION EXPIRES AUGUST 29, 2021

My commission expires: 7/34